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SUBJECT: THE ECONOMIC IMPACT OF LABOR MIGRATION AND BRAIN DRAIN

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¶1. (SBU) Summary: Extreme levels of outmigration from Tajikistan have left the country with few skilled citizens to address its complex problems, and at the same time, is warping the social fabric in ways that have serious consequences for future stability. While skilled professionals leave with their families to seek higher wages and better educations and futures for their children, the unskilled leave their wives and children behind to cope alone. The government is happy for unemployed men to be elsewhere and to have a huge stream of remittances to underpin the economy. Meanwhile it invests a bare minimum in the education and health of its booming child and youth population. For donors focusing on the needs of this young generation and empowering the women left behind could be the key to making a difference in Tajikistan's future. End Summary

Tajikistan's Mass Emigration

¶2. (U) Despite the slow-down in Russia's economy, the level of emigration from Tajikistan remains at crisis levels. While the number of labor migrants is imprecise, it is clear that numbers are huge, with estimates that as many as half of working age men have left the country in recent years. Unsurprisingly, this has serious social and economic consequences for the country. This migration has provided for short-term stability by moving hordes of unemployed men out of the country and providing basic income to a large percentage of Tajik households, but is laying the groundwork for medium- to long-term instability. While the bulk of migrants go to work as unskilled labor, the out-migration of skilled workers and professionals is, if anything, more severe. According to a survey, migrants have 1.67 times more education than national average. This loss of the skilled workforce poses serious problems to the development of the country, as virtually every sector of the country lacks the capacity to address the serious challenges it faces.

Skilled Workers Pushed to Go By Many Factors

¶3. (SBU) For those without much education, there are few jobs or opportunities to earn income, and many leave simply to survive and provide for their families. For those with skills and expertise there are jobs, but many factors push them to seek a future elsewhere. While in the 1990's the civil war and its aftermath of high crime and violence were key push factors,

today the reasons are more diffuse. Salaries are low, but living costs are high. The education system is in near collapse. A population boom means that classes are run in two or even three shifts. Many teachers are only high school graduates. Books, supplies and facilities are falling apart or non-existent. Schools lack toilets, heat and even windows. University places have also failed to match the population increase: most can obtain one of the limited university slots only by paying a hefty bribe. The quality of education may well not justify the cost. For those who value education, this is no place to raise children. Healthcare is likewise often unavailable or of very poor quality, provided in bare, unheated rooms. On reaching age 18, young men are subject to forcible conscription into the military where they are often beaten and nearly starved. For those with any skills, not only does employment abroad provide a better salary and higher living standards, but also allows people to access better education and healthcare for their children, and for boys to avoid the dangers of conscription. The most skilled workers are the most likely to emigrate with their families. Post will report on the impact of this problem on Embassy operations septel.

Leaving Few to Tackle the Country's Development Challenges

¶4. (SBU) The Russian Federation actively recruits medical professionals, engineers and others with key skills from Central Asia. The Tajik government cannot compete and ministries, agencies, and government-owned enterprises are not able to hire qualified staff for many positions, which either go unfilled or are staffed by those without the knowledge and skills to manage the challenges the country faces. The Ministry of Education has resorted to hiring high school graduates as teachers. Our health

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project implementers report they have to entirely retrain most doctors, since their level of medical knowledge is so minimal. Meanwhile, in the last year at Tajikistan's medical university, medical students were required to put in several hours each week on construction duty rebuilding the school's library which was destroyed by fire. The international relations office of a key counterpart agency is slow to respond to our requests. The director explained he has five vacant positions because he can't find qualified staff. The same story is repeated in sector after sector. The European Commission reports that their project with the Finance Ministry is hampered by the fact that nearly half the ministry's positions are unfilled. A key statistics office has a single staff member. While the economic situation in Russia has seen some Tajiks return, it appears to be the least skilled.

Social Impact in the Broader Society

¶5. (U) The migration has broader impact than brain drain, however. While in many countries there is a strong tradition of migrant labor, and remittances are a key source of hard currency earnings, the situation in Tajikistan is an order of magnitude larger than elsewhere. Remittances equivalent to 5-10% of GDP are considered large in other countries; Tajikistan's have surpassed 50%. The vast share of people gone is unparalleled. In the countryside, Tajikistan is literally a country of no men. The villages have young boys and a few bearded elders while the bulk of the population is female. One rarely sees such a situation except in the wake of a war. While the 100,000 estimated dead in the Tajik civil war was considered devastating, the loss of people from emigration is as much as ten times that number.

¶6. (SBU) Though skilled professionals may take their families, the vast majority of migrants leave their families behind. Most emigrants maintain ties through remittances and about half make annual visits home. Most households are run by women in the absence of their husbands, caring for children without fathers present. The boys can expect some day to follow their fathers to Russia. The girls remain behind with more limited marriage prospects and an uncertain future. Families fear being unable to marry off their daughters, so they tend to marry them off at ever younger ages - and more and more frequently to men who already have one or more wives - in hope of securing their future. This has had a serious impact on girls' literacy, with further negative consequences for the health and education of their children. The annual visits home, however, mean that many Tajik women of child-bearing age continue to have a child each year, and Tajikistan's population growth rate continues to greatly outstrip that of neighboring countries. Half the population is under eighteen and progressing through a dysfunctional education system. As Tajikistan loses its Soviet legacy of high literacy, its capacity to deal with its problems drops ever further.

Government Complicit

¶7. (SBU) The government shows little interest in changing the current pattern. Much of its bilateral discussions with Russia involve reaching agreement to allow even more Tajiks to live and work there. When a slow down in Russia's economy reduced demand for Tajik labor, the government of Tajikistan began to look for other countries as possible destinations for Tajik workers. Meanwhile government revenue depends heavily on customs duties and value-added tax on imports, which are supported mainly by remittances which finances virtually all imports. Tajikistan devotes the lowest percentage of its GDP to education of any country in the world, and one of the lowest percentages of GDP for health care. They have few qualms about threatening to reduce the already low social expenditures to encourage donors to increase their assistance.

Making a Difference: Engage Women and Youth

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¶8. Comment: A country very nearly denuded of not just the best educated, but of adult men in general, should raise a huge red warning flag to us about the future stability of Tajikistan. The influx of remittances allows Tajikistan to live beyond its means, and allows the government to put off making essential and difficult reforms. Reducing migration, while posing difficult issues in the short-term, should improve Tajikistan's longer term prospects and stability. For now, the situation is mired in a negative spiral of reduced capacity, allowing problems to worsen, which further weakens the country's ability to reverse the downward momentum. Given the dire outlook, Tajikistan's youthful demographic skew could be the key to halting and reversing the trend if resources were poured into education and empowering women. As the education system collapses, parents and students seek opportunities from any available source, whether the U.S., Russian, or Iranian governments. Three thousand families, for example, applied for just 80 spaces in the summer "Camp America," in one of the most isolated and religiously conservative parts of the country. More than 1,500 students applied for the FLEX high school exchange program. These statistics indicate an openness to seize any chance at a better future for Tajikistan's next generation. This is an opportunity we should take advantage of.

19. Exposing this generation to a broader range of ideas and experience could have a lasting impact on the country's future direction. The opportunities for those who do acquire the skills both to find work and have impact are quite strong. Women are de facto managing their households; if organized, they would lead their communities and if given the support and knowledge they need, they could address many issues that affect them and their children. If Tajikistan is experiencing an epic loss of human resources, there is also an enormous opportunity to help hitherto neglected segments of the population to step in, fill the gap, and take the country in a more sustainable direction. To take real advantage of this opportunity, we need to strengthen our role in education, provide more English language training and exchanges, and continue and expand community development and food security programs that teach women skills and empower them to take control of their destinies to push Tajikistan in a direction of sustainable economic growth which provides opportunities to all Tajiks.

JACOBSON